

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Southern California Edison Company and San Diego Gas and Electric Company for the 2002 Nuclear Decommissioning Cost Triennial Proceeding to Set Contribution Levels for the Companies' Nuclear Decommissioning Trust Funds and Address Other Related Decommissioning Issues.

Application 02-03-039
(Filed March 21, 2002)

ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO

Pursuant to Public Utilities Code Section 1701.1(b), a prehearing conference was held in this proceeding on May 9, 2002, and the assigned Commissioner has prepared the following scoping memo.

Therefore, **IT IS RULED** that:

1. In this application Southern California Edison Company (SCE) and San Diego Gas and Electric Company (SDG&E) request:

- Authority to maintain SCE and SDG&E's current rate levels to fund the nuclear decommissioning trusts for San Onofre Nuclear Generating Station Units (SONGS) 2, and 3;
- Authority to maintain SCE's current rate levels to fund the nuclear decommissioning trusts for Palo Verde Nuclear Generating Station Units 1, 2, and 3 (Palo Verde);
- Authority to make no further contributions to the SONGS 1 trust funds;

- A Commission finding that the decommissioning project expenditures for SONGS 3 as of December 31, 2001 are reasonable; and
 - Authority to continue to access from their decommissioning trust funds, including the use of the tax benefit retained in the non-qualified trust, up to 90% of the updated SONGS 1 decommissioning cost estimate.
2. The assigned Commissioner is Geoffrey F. Brown.
 3. The assigned Administrative Law Judge, Jeffrey P. O'Donnell, is designated as the principal hearing officer.
 4. The category is ratesetting.
 5. Hearings are needed.
 6. On March 15, 2002, Pacific Gas and Electric Company (PG&E) filed Application (A.) 02-03-020 for its nuclear decommissioning cost triennial proceeding. That application involves a number of issues that are also raised in this proceeding. At the prehearing conferences held in both proceedings, the parties agreed to hold joint hearings on the common issues, and separate hearings on issues unique to each application. The proceedings as a whole will not be consolidated. However, pursuant to Rule 55 of the Commission's Rules of Practice and Procedure, consolidated hearings will be held on the common issues for the purpose of developing a consolidated record on them. Consolidated hearings on common issues will enable more efficient use of the parties' and the Commission's resources, and provide a more complete record in each proceeding. Identification of certain issues as common issues does not necessarily mean that they should be decided the same way in both proceedings.

7. The issues related only to this application are:

- The revenue requirement and rate changes, if any, necessary to fund the nuclear decommissioning trusts for SONGS 1, 2, and 3, and Palo Verde;
- The reasonableness of decommissioning project expenditures for SONGS 3 as of December 31, 2001; and
- Whether to allow SCE and SDG&E continued authority to access from their decommissioning trust funds, including the use of the tax benefit retained in the non-qualified trust, up to 90% of the updated SONGS 1 decommissioning cost estimate.

8. The issues common to this application and A.02-03-020 are:

- Escalation factors.
- Rates of return.
- Low level radioactive waste disposal costs.
- The uncertainty of permanent high level waste disposal at Yucca Mountain, Nevada.
- Costs of dry cask storage.
- Contingency factors.
- Inter-generational equity.

9. The Schedule is:

- Parties' testimony August 2, 2002
- PG&E's rebuttal testimony August 23, 2002
- Hearings September 18-27, 2002¹
- Opening briefs October 28, 2002
- Reply briefs November 15, 2002
- Submission date November 15, 2002
- Presiding officer's decision February 13, 2003
- Final Commission Decision April 14, 2003

10. This schedule may be changed for good cause. However, this matter is expected to conclude by April 14, 2003, and in no event later than 18 months from the date of filing.

11. The evidentiary hearings will be held at the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. Hearings will begin at 10:00 a.m., on September 23, 2002, and at 9:30 a.m., on the other days.

¹ Hearings will be held in this application and A.02-03-020 during this two-week period. Hearings on the issues unique to PG&E's application will be held beginning on September 16, 2002. Hearings on the issues unique to SCE and SDG&E's application will be held beginning on September 18, 2002. Consolidated hearings on issues common to both applications will be held beginning on September 23, 2002.

12. The ex parte rules applicable to ratesetting proceedings are specified in Rule 7(c) of the Commission's Rules of Practice and Procedure. Ex parte communications are subject to the reporting requirements set forth in Rule 7.1.

Dated June 10, 2002, at San Francisco, California.

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling and Scoping Memo on all parties of record in this proceeding or their attorneys of record.

Dated June 10, 2002, at San Francisco, California.

/s/ FANNIE SID
Fannie Sid

N O T I C E

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.